



## Greater Lincolnshire LEP Finance & Audit Committee

7<sup>th</sup> November 2018

International Bomber Command Centre, Canwick Avenue,  
Lincoln, LN4 2HQ

### **Welcome and Apologies**

#### **Present**

Andy Orrey (Independent Chair) (AO)  
David Dexter (LEP Deputy Chair and Director) (DD)  
Ian Knowles (IK)

**Officers -** Linsay Hill Pritchard (LCC/ Accountable Body) (LHP), Kate Storey (LEP Commissioning Officer) (KS), Laura Spittles (Minute Taker)

**Guest –** Cathy Jones (LEP Housing and Strategy Advisor)

**Apologies:** Stephen Deville (Bishop Grosseteste University), Ruth Carver (LEP Director)

AO welcomed all the meeting and deemed it quorate and asked for any declarations of Interest. Nothing declared.

It was noted that the Committee currently holds 2 vacancies. KS informed the Committee that LEP board recruitment is currently ongoing to attract more new members.

### **F&A Committee Minutes of Previous Meeting**

No issues raised with previous minutes.

Item Number 2 on the Action List is regarding the Accountable Body Costs. It was noted that estimated interest on cash balances this year may not cover all Accountable Body and therefore some money may need to be used from either Core Funding or Reserves to cover this. An update on the interest and cost position will be provided at the January meeting.

All agreed this was acceptable.

KS will provide a list of suitable topics and guests to attend future meetings to keep the Committee informed of relevant items.

### **Q2 Overview Report from the Accountable Body**

The papers provided show the LEP spending from 1<sup>st</sup> April 2018 to 30<sup>th</sup> September 2018. The LEP remains in a good financial position at this point with a core funding spend to date of approx. £230,000. Early projections show that the LEP will be very close to spending the allocated £500,000

at the end of the financial year.

It was noted that the LEP don't receive the interest gained on the money that is paid out through freedom and flexibilities utilised in the Growth deal programme. The Committee are aware and understand the principle of ensuring the allocation target provided by government is met.

The LEP have no payments pending under the Growing Places Fund (Invest to Grow). No further loan applications have been submitted.

The hearing has taken place for the Judicial Review between Scunthorpe United and the LEP. The outcome is expected by Friday 16<sup>th</sup> November.

IK asked where the Broadband Projects (Infrastructure/Utilities etc) fit in to the LEP's Priorities. There is currently a Broadband Bid being submitted. LHP agreed to liaise with Andrew Brooks to provide more detail to IK.

The Accountable Body is currently working with SLGF projects to re-forecast this quarter. Outputs are also being reviewed. The dashboard overview provided is the one used and required by Government. LHP will share a more detailed report on what has been allocated and spent by each project at future meetings.

The Committee reviewed and approved the contents of the report and recommended that it is included within the Directors report to the LEP Board on 30<sup>th</sup> November.

### **LEP Governance and policy review**

The LEP is currently undertaking work to review and update their policies and procedures. Two reports were presented to the Committee today for sign off and approval to take to the next Directors Board Meeting.

The policies and procedures of the LEP have always been included within the Local Assurance Framework however following the Mary Ney review it was agreed that we would expand on the policies and create stand-alone documents.

#### **Confidential Reporting Policy**

Often elements of projects are confidential and therefore we are required to provide a policy and process as to how we classify confidential items and how they are reported through the decision making process. The committee asked that an explanation be added as to how the F&A Committee cover Transparency Issues and how non-disclosed items are brought to the attention of the Committee for scrutiny as part of their role. The committee asked for regular reports where confidential items had been identified to ensure that they were compliant with the agreed policy. Terms of Interest for F&A Committee.

The ToRs were reviewed previously and any identified changes will be fed into the LEP Review process alongside other board governance amendments. The F&A Committee agreed previous

minuted recommended amendments remain unchanged with the following additions :

- Sign off may be concluded via written processes where a quorum is not available
- A F&A deputy will be identified to chair in the absence of the chair
- Amend 2 to delete scrutiny from title
- Amend 2.4 to differentiate between internal and external audit
- Amend 2.5 from members to no-executive
- Amend 2.7 to add achieving 'best value'
- Amend 4 to add duration of terms in line with other boards
- Amend 4.1 to read non-exec or exec members
- Ensure committee members is differential to company members / clarified as appropriate.

KS to re-draft these points and submit the policies to the Directors Board.

No amendments were noted to the Appointment of Directors Policy.

The F&A Committee reviewed and agreed the changes identified above for consideration by the LEP Directors Board.

### **LEP Feasibility Fund**

Cathy Jones attended the meeting to give an overview on the Feasibility Fund. A paper was provided showing the progress.

The Feasibility Fund consisted of 2 rounds in 2016 and 2017 and was fully allocated (£376,500) to 11 projects. 7 projects are complete, 2 are in progress, 1 is progressing but not yet contracted and 1 has withdrawn.

Some of the projects have declared an underspend. It is proposed that this underspend is to be used as a feasibility fund for the development of the future project pipeline, rather than operating an open call for applications.

KS updated the committee on the recent call for projects in order to create a strong project pipeline. A call document had been released on the Website and the LEP had also used its various networks and partners to promote the call. It was noted that at the present time there was no money available. The call focussed on larger strategic projects and programmes that delivered against the LEP Key sectors and therefore at this time requests were made for projects of a minimum value of £1million.

SME's who have smaller projects can use alternative routes to access funding through the Business Lincolnshire Growth Hub.

The Committee are interested in seeing what % of projects are successful in achieving full funding once they have had feasibility funding. LHP to include details in future Financial reports.

AO asked whether the interest gained from the Growing Places Fund (Invest to Grow) could be put aside to help Businesses/Projects with Bid Writing. Experiences from the LEADER programme were highlighted whereby some of the strongest bids were often written by the applicants themselves. The benefit of support from the Local Leader managers in helping to translate the requirements of the

fund through 1 – 1 meetings and wider workshops were seen as a positive.

### **Risk Review**

The committee were asked to review the latest risk register. KS detailed that:-

The GDPR Regulations have been added to the Risk Register. Even though we are fully compliant there is always a risk that we can be fined.

The Judicial Review has also been added but this will soon be updated and removed if necessary.

### **Any Other Business**

IK asked if the LEP are aware / looking at the Civil Society Strategy. KS to investigate and report back.

The Core Funding for LEP's has been confirmed for 18/19 and 19/20.

IK asked if the colours on the Risk Register can be altered as some of the text is quite difficult to read on a screen. KS to action.

### **Date of Next Meeting**

TBA – January 2019